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February 3, 2004

Mr. Timothy D. Johnson
Site Manager, Risk Management & Remediation
ConocoPhillips
3977 Leary Way Northwest
Seattle, Washington 98107

Mr. Jeff Payne
Real Estate Supervisor
ConocoPhillips
1144 Eastlake Avenue, Suite 201
Seattle, Washington 98109

**RE: BASELINE FOR COVERED CONTAMINATION
FORMER EXXON RAS 7-2427 (CONOCOPHILLIPS STORE #2603129)
2143 NORTH NORTHGATE WAY
SEATTLE, WASHINGTON
FARALLON PN: 833-003**

Dear Messrs. Johnson and Payne:

Farallon Consulting, L.L.C. (Farallon) has been retained by Ariel University, L.L.C. (Ariel University) to provide environmental consulting services regarding the assessment and cleanup of the former Exxon RAS 7-2427 (ConocoPhillips Site No. 2603129) (the Site). The Site is located at 2143 North Northgate Way in Seattle, Washington. Farallon reviewed the available assessment and remediation reports for the Site prepared by others. Based on this review, Farallon prepared the *Technical Review and Identification of Data Gaps* letter dated December 19, 2003 that was sent to ConocoPhillips. This letter listed the confirmed sources of contamination at the Site and identified data gaps in the characterization of the nature and extent of contamination associated with each source at the Site. The confirmed sources included the following structures:

- Former fuel underground storage tanks (USTs);
- Former dispenser islands;
- Former waste oil UST; and
- Northeast utility vault.

As described in the *Technical Review and Identification of Data Gaps* letter, the extent of contaminated soil and groundwater at the Site associated with these confirmed sources has not been characterized sufficiently to support the evaluation and implementation of final remedial actions for the Site. The *Environmental Agreement Matters, Remediation, and Indemnification*



Addendum for the Sale of Former Unocal Assets (Addendum 2) dated September 15, 2003, between Ariel University and ConocoPhillips specifies that ConocoPhillips is responsible for the reporting, assessment, and remediation of "Covered Contamination" at the Site. Covered contamination was defined in Addendum 2. A letter prepared by ConocoPhillips dated January 6, 2004 to Ariel University (attached) states that "We [ConocoPhillips] are confident that the testing we have performed is adequate to establish the necessary baseline..." Also, none of the other reports provided to Farallon adequately defines the extent of covered contamination in soil and groundwater at the Site. As discussed in the *Technical Review and Identification of Data Gaps* letter, the limited subsurface investigation conducted by ATC Associates, Inc. in November 2003 did not characterize the releases at the former fuel USTs, former dispenser islands, former waste oil UST, or the northeast utility vault. Therefore, the purpose of this letter is to describe generally the baseline conditions of the affected media and confirmed extent of covered contamination at the Site.

Based on Farallon's review of available assessment and remediation reports prepared by others, ConocoPhillips is responsible for the covered contamination listed below:

- The confirmed releases of gasoline, benzene, toluene, ethylbenzene, xylenes, methyl tertiary-butyl ether, and polynuclear aromatic hydrocarbons to soil and/or perched water-bearing zone from the former dispenser islands;
- The confirmed releases of diesel, oil, and tetrachloroethene to soil and/or perched water-bearing zone from the former waste oil UST;
- The confirmed releases of benzene, xylenes, and dissolved lead to the lower groundwater zone from the former fuel USTs, the former dispenser islands, or the former waste oil UST;
- The confirmed releases of gasoline, diesel, and oil to soil from the northeast utility vault; and
- All historical releases of other petroleum hydrocarbon constituents from the northeast utility vault, the former fuel USTs, the former dispenser islands, and/or the former waste oil UST that were not tested as required under Model Toxics Control Act (MTCA) in accordance with Chapter 173-340-900 of the Washington Administrative Code (WAC 173-340-900), Table 830-1.

ConocoPhillips should prepare a work plan to assess the data gaps described above and to complete the characterization of the extent of soil and groundwater contamination at the Site. Based on the results of the data collected from implementation of the Work Plan, ConocoPhillips should complete a Feasibility Study (WAC 173-340-350) and develop a Cleanup Action Plan (WAC 173-340-380) to guide the remediation process in accordance with MTCA. The Work Plan should include a timeline to complete assessment and remediation activities with the objective of receiving a No Further Action determination from Ecology for the Site.



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CLOSURE

If you have any questions regarding the technical issues relating to the Site, please feel free to contact either of the undersigned at (425) 427-0061. Please address any other correspondence or communications to Mr. Shimon Mizrahi of Ariel University, or contact him directly at (206) 650-4987. Ariel University requests that ConocoPhillips Company communicate its intent with regard to preparing a work plan and completing the assessment and cleanup of the Site within 20 days of receipt of this transmittal. Your consideration and prompt attention to this matter are greatly appreciated.

Sincerely,

Farallon Consulting, L.L.C.

Timothy S. Brown, L.H.G.
Project Geologist

Clifford T. Schmitt, L.H.G.
Principal

Attachment: ConocoPhillips letter dated January 6, 2004

cc: Mr. Shimon Mizrahi, Ariel University, L.L.C.

TB/CS:bij